

Ronald Barry Hager



July 20, 2011

Theresa M. King
Professional Standards Investigator/Coordinator
Department of Public Safety Standards and Training
4190 Aumsville Highway SE
Salem, Oregon 97317-8983

Dear Ms. King,

My statement is respectfully submitted to the Policy Committee as they consider whether I meet the minimum standards for Oregon public safety officers. It is my hope the conditions and happenings presented in this statement will enable a clearer picture to the Committee, in deciding the degree of the offense. It is my hope the Board will 1) consider all the circumstances and choose not to deny my certification, and 2) make a statement that the conduct is an important consideration for a future hiring agency in Oregon, but leave the matter to the discretion of an agency head who may choose to consider the totality of my experience and history before appointment.

While working for the Cochise County Sheriff's Office in Arizona, our Mission Statement included a quote from Winston Churchill - "It's not enough that we do our best; sometimes we have to do what is required." Throughout my career, I embraced this quote in my efforts to build and maintain work relationships both in and outside of law enforcement. Throughout my career I have demonstrated a high level of integrity and professionalism - which includes doing the right thing when no one is looking. It is my hope that once these mitigating circumstances are considered, I will be able to attain Certification through the Oregon Department of Public Safety Standards and Training.

Since graduating from the Northern Virginia Criminal Justice Academy in 1977, I have participated in many hours of applicable seminars, training, and conferences. I have been awarded a Lifetime Certification from the State Board of Directors for Community Colleges of Arizona, Administration of Justice and Corrections Management. I have served on the faculty of Cochise College where I had the privilege of working as an online instructor, teaching AJS 200 - The Corrections Function. I also had the privilege to serve as 1) the Chairman of the American Jail Association (AJA) Certified Jail Manager's Commission, 2) an elected member of the AJA Board of Directors, and 3) an elected officer in the Arizona Detention Association.

I have attained the following education achievements:

- Master's of Public Administration (MA - 2011), Northern Arizona University, Flagstaff, Arizona, 86011.

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- Bachelor of Applied Science, Public Agency Service (BA - 2007), Northern Arizona University, Flagstaff, Arizona, 86011.
- Certificate in Public Policy and Management, University of AZ, 1995 - Southwest Leadership Program, Scottsdale, Arizona, 85260.
- Public Manager Program, Level I, II, and III, State of Arizona, Department of Administration, 1995.
- Associate Degree, Northern Virginia Community College, Alexandria, VA; Corrections Curriculum, 1989.

It is difficult to know where to begin and end. I sincerely want to provide you with the mitigating circumstances/information that is important to consider, but not inundate you with unnecessary facts and sidebars that will only confuse the issue. My actions as reported in a federal investigation - as seen through the eyes of others - includes testimony that was not under oath, or subjected to cross examination. I would welcome the opportunity to present these circumstances to you directly, and answer any questions you may have, but I understand oral testimony will not be considered.

My conduct did not involve a disregard for the rights of others, misuse of authority, gross misconduct or insubordination. I am suggesting you consider and weigh these mitigating circumstances - specifically my involvement and subsequent misdemeanor plea - beginning with the end in mind. As active members of the criminal justice system, you understand it takes time for hundreds of pages of documents and interviews that included - "confidential informants," false and misleading testimony, material omissions of evidence, half-truths and no truths - to work through the system/process. For the safety of my family, I have only shared these mitigating circumstances with those individuals that needed to know what my involvement and motivation was at the time. However, I believe in the end, the record is clear that a No Contest Plea is the true reflection of my involvement in this matter. At times during this ordeal, I was not certain who to trust. Any suggestion of public corruption never materialized and could not be substantiated as suggested in the FBI investigation you have been provided.

Although the names of several credible law enforcement witnesses were provided to federal investigators (and have been included in this statement), to my knowledge, they were not interviewed and you will not find their statements in the report you have been provided. I understand and accept it is not the responsibility of an investigating agency to prove my innocence or incorporate interviews into their report that could justify or provide a reasonable explanation for my involvement.

It has been my belief (and was confirmed during one interview) federal investigators could not understand and would not accept any lawful circumstances where a high ranking official in a law enforcement agency could get so close to the nucleus of a major drug trafficking operation without being involved - or without their knowledge during a major undercover operation - or how it looked under the circumstances to those who did not know the whole story. It is also my belief my communications within the Sheriff's Office was not shared with federal agencies

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involved in drug interdiction efforts along the border for several reasons – some of the reasons continue to exist even now:

1. To protect me and my family, I requested my name not be used – under any circumstances.
2. Only a handful of employees within the Sheriff's Office knew I was providing sensitive information to the Border Alliance Group and Cochise County Sheriff's Office Commander Ruben Saavedra. The information was credible (especially a cell phone with previously unknown telephone numbers and nicknames allegedly belonging to one of the Mexican cartels).
3. There remains a lack of communication between local and federal agencies working along the border. Agencies communicate when necessary, but in some cases, intelligence sharing is not at the level it should be – there appears to be competing priorities which is apparent in the ongoing saga with regards to illegal immigration enforcement in these frontline border areas.

Please keep in mind that as the Jail Commander and subsequently as Bureau Chief with the Cochise County Sheriff's Office I had unlimited access to all computer systems within the agency – unlimited access for legitimate law enforcement purposes. I routinely utilized the computer system(s), only through an approved operator, searching for outstanding warrants for inmates prior to release, and prospective new employees during the background/hiring process. I have never been accused of releasing criminal history, law enforcement sensitive, or "wanted" information to anyone not authorized to receive it. I never knew it was unlawful or inappropriate for me, or any law enforcement officer, to tell someone they were not wanted – it is routinely done every day as inmates are being released from custody - now I know better. This is not to say I had the authority to abuse my access - but clearly, access at my level was never questioned – I have never been accused of accessing a system directly – always through a trained operator. The issue surrounds what I did, or could have done with information I obtained, was I authorized to access the information, and was it for a legitimate law enforcement purpose.

As you deliberate on my dilemma, please keep in mind that most of the law enforcement interviews contained within the formal investigative report you have been provided were staged at my places of employment (Arizona and Oregon), and I was not afforded an opportunity to meet in a neutral location, away from work, at convenient times where I could prepare in advance for the stress associated with being interviewed by multiple federal law enforcement agencies/officers.

I cooperated with all federal law enforcement officials during interviews – I never asked for an attorney to be present, and I never refused to answer any question – even under circumstances where interviews appeared to be staged to maintain an element of "surprise." I was certain that once my involvement was clarified and confirmed through independent law enforcement sources, my name would be cleared and this matter would be over. I was wrong.

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It should be noted when federal authorities interviewed me, I was informed the vehicle involved in these allegations was not registered to a real person – it had been register by a United States government informant with the assistant of the United States federal law enforcement authorities to a fictitious name and address, and driven into Mexico along with the fictitious title and registration. This explained why I was not able to find the owner listed on the title, and why a registered letter to the titled owner in Tucson, Arizona was returned to me “Undeliverable.” I provided the postmarked, still sealed registered letter and all correspondence between the AZDMV and me to federal authorities.

At the conclusion of the federal investigation, it was disclosed that federal authorities had utilized a “cooperating,” confidential informant to register target vehicles for use in drug trafficking between the United States and Mexico. Her involvement as a confidential informant was never publically acknowledged outside of sealed court documents, and she never implicated me or my wife in any transactions. However, it is undisputed I provided her connection to the cartel, complete name, and location within the United States, to local and federal authorities months before her involvement as a confidential informant was disclosed in “unsealed” federal court sentencing documents. I informed authorities, in writing, that she served as a middle person for vehicle purchases and registered on behalf of Carlos Molinares Nunez (ie. a Hummer).

Because of an ongoing federal public corruption investigation, I resigned from the Cochise County Sheriff's Office in November 2007 – I did not resign in lieu of termination – I resigned. Under the circumstances, it was apparent I could no longer be effective in my position, until the investigation was concluded and my involvement was clarified. At the time, I believed I was being subpoenaed based on information I had received and reported directly to local and federal authorities – nothing more. I was never charged with a federal crime, but when the federal cases were resolved against multiple defendants (whom I have never met), and I was no longer needed as a witness, more than two years later, I was unfortunately indicted on charges in Pima County Superior Court, filed through the Arizona State Attorney General's Office. I cooperated with law enforcement officers throughout these proceedings (Arizona and Oregon), and numerous times offered to take a polygraph examination, or participate in other investigative techniques that might clarify my involvement. I never sought a “deal or immunity from prosecution” in return for my testimony relating to my involvement. When I was interviewed in The Dalles, Oregon by federal agents (the interview was recorded), I was told a polygraph examination was not necessary – because they believed I was telling the truth, as I understood the truth to be.

I have no previous criminal history.

In October 2008, my former employer, Sheriff Larry A. Dever was asked to help determine if I committed any criminal/public corruption acts. He publically stated (in part):

"I was never given details on the specific allegations against Ron Hager, or him using his position to increase criminal activity. Really, the DEA and FBI brought more questions than answers. I wanted to know as much as I could and help wherever possible. Dever

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said it is important to note that Hager has only been served with a subpoena, and not actually charged with breaking the law."

"...there is more to this story that will become public in time and as matters take their course."

"I didn't discover anything that would rise to the level of suggesting that the integrity of the organization was compromised or that he had used his official capacity for the furtherance of any kind of criminal activity associated with the smuggling group..."

I was counseled that at trial, I would be entitled to a jury instruction on the "Public Authority Defense," for which there is strong legal precedent. Under the Public Authority Defense, a person who engages in criminal acts either with actual authority of law enforcement, or under a *reasonable belief* that he has the authority of law enforcement, lacks the requisite criminal intent and may not be found guilty. Courts have instructed juries,

"If you find that the Defendant was under a reasonable belief that he had legal authority to act with respect to any count charged in the Indictment, or that he had no predisposition to act as charged and would not have done so but for the active encouragement and enticement of Government Agents, then under either such circumstances, you would be required to return a verdict of not guilty." *U.S. v. Anderson*, 872 F.2d 1508, 1518 (11th Cir. 1989).

In the Ninth Circuit, there is a particularly strong line of cases supporting this defense. See *U.S. v. Mason*, 902 F.2d 1434 (9th Cir. 1990); *U.S. v. Davis*, 76 F.3d 311 (1996); *U.S. v. Bear*, 439 F.3d 565 (9th Cir. 2005). In *Bear*, the court held that a defendant is *entitled* to a Public Authority instruction when that defense has been raised, and that under such circumstances, it is reversible error not to give an instruction. At trial, several experienced attorneys believed I would be able to meet the necessary evidentiary burdens to justify a Public Authority instruction both through my own testimony and through other credible witnesses.

I knew some of my wife's family living in Mexico was involved with drug trafficking, and this made me uncomfortable because of my long employment with the Cochise County Sheriff's Office ("CCSO"). As an employee of the CCSO, I felt I owed a duty to that office, and whenever I learned information related to drug trafficking at family events in Mexico or the United States, I would pass it along to the proper authorities within the CCSO. The acts for which I was indicted were all in furtherance of maintaining that flow of information. During an independent investigation by a qualified investigator, contact was made with two officials with the CCSO, Commander Marc Denney and Lieutenant Floyd Gregory, both of whom confirmed that I was providing them directly with information about drug traffickers — neither had been interviewed by federal authorities and I have not talked with them directly since my departure from the Sheriff's Office. It was confirmed that I gave the names of Commander Denney and Lieutenant Gregory to federal agents who interviewed me, but apparently they were never contacted (according to documents I have been provided). Commander Ruben Saavedra retired from the Sheriff's Office shortly after I left, but I am certain if asked, he would have

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confirmed the magnitude of information I provided directly to him on numerous occasions. Our offices were co-located and we spoke almost every day.

I was not an official confidential informant, but my belief that I was acting with the approval of the CCSO is more than reasonable. I held the rank of Commander and later Bureau Chief in the Sheriff's Office, I was providing a steady flow of information, that information was accepted, it was passed on to other officials within the Sheriff's Office, and I was never instructed or directed to stop providing it.

Further illustrating my intentions were to assist law enforcement, not to profit from any criminal activity, is that information I provided contributed to takedowns of two major drug trafficking organizations. Carlos "Caliche" Molinare-Nunez ("Operation Vanquish" in 2006) and Hector David Romo-Morales ("Operation Vaqueros" in 2010) - both names I provided to law enforcement officials long before they were arrested or became known publicly.

Since the inception of this case by federal authorities, my reputation was questioned, my career was compromised, and my family is now at the brink of poverty. I have paid a heavy price for my involvement in this matter, and have moved from Arizona to Oregon. I have devoted 34 years to the law enforcement community, and by all accounts, I have achieved excellence in all positions. As Commander of the Cochise County Jail, I worked closely with law enforcement officers, and the statements of Lieutenant Gregory and Commander Denney make clear that I was working to help law enforcement officers during the alleged criminal acts I was accused.

A plea agreement was discussed - and after much thought and consideration, it appeared accepting a misdemeanor plea was a way to accept responsibility for my involvement in this unfortunate matter, while minimizing the damage I had already sustained to my career and reputation - and the overall safety of my family.

It was my hope all along that federal authorities would approach Lieutenant Gregory, Commander Denney, and former Commander Ruben Saavedra...and exonerate me from all criminal allegations - but for whatever reason(s), that never happened. It was also my hope that federal authorities would interview and include formal statements of fact from Sheriff Larry Dever and Captain Mark Dannels (Captain Dannels later resigned and became the Chief of Police in Coquille, Oregon) - but that did not happen either. I never approached any of these former colleagues (in-person, by telephone, or through a third party) in any way during the federal investigation for fear of being accused of interfering with the ongoing investigation - I had been instructed by federal investigators not to discuss the ongoing investigation - or my testimony - with others.

In July 2010, I contacted a Compliance Coordinator with the Oregon Standards and Certification Program. The purpose of my call was to ascertain if a misdemeanor, No Contest Plea, for Attempted Computer Tampering, would keep me from obtaining certification in Oregon - and if so, "in order to put this matter behind me is there a charge I can plea No Contest that will not affect my ability to gain certification in Oregon." Prior to relocating from Arizona to Oregon,

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the Coordinator provided me pertinent information relating to the process and further informed me, in part, *"After reviewing your conviction and A.R.C. 13-2316 Computer Tampering, I have determined that the Arizona crime would be equivalent to Oregon's ORS 164.377 Computer Crime. Based on this preliminary review of information, I can tell you that ORS 164.377 is a Discretionary Disqualifying conviction. That means, if you are hired in the State of Oregon your case will have to go before the Corrections Policy Committee to determine if you are eligible for training/certification. Please understand that the information I have provided you above is generic based upon my review of the order you provided. We are unable to do an official analysis and background check until an individual makes application with our agency."*

On Wednesday, August 25, 2010, in the Superior Court of Pima County, Arizona, I voluntarily plead *No Contest* the charge of *Attempted Computer Tampering, a Class One Misdemeanor*. Through my plea, I affirmed that on or about April 5, 2006, I obtained information I now know is required by law to be kept confidential, by accessing a computer network through an authorized system operator, and sharing that information with another who was not authorized to receive it.

At the sentencing hearing on September 15, 2011, The Honorable Clark W. Munger noted,

"Upon consideration of the offense, and the facts, law and circumstances involved in this case, THE COURT FINDS that the defendant is eligible for probation. The specific reasons for the granting of probation are stated by the Court on the record.

IT IS ORDERED suspending imposition of sentence and placing the defendant on unsupervised probation. IT IS FURTHER ORDERED that Defendant's unsupervised probation is terminated today. The defendant is advised concerning rights of review and written notice of those rights is provided. IT IS ORDERED that the State's Motion to Dismiss is granted, and all remaining counts and allegations shall be dismissed as to this cause number only."

I understand and accept that my actions in this matter were not considered lawful, and I regret this isolated incident of poor judgment in an otherwise unblemished 34 year law enforcement career. Under no circumstances was I prepared to agree to any other allegations/charges, and if necessary, I was prepared to have the entire matter heard by a jury.

Prior to moving back to Oregon, I contacted Wasco County Sheriff Rick Biesland to ascertain if he would support my return to law enforcement in Oregon. The Sheriff graciously responded in part, "I am glad to hear it is all behind you. I have no problem with you returning back to the profession. I hope it all works out for you and good luck."

In January 2011, I relocated my family from Arizona to Oregon and started working for the Confederated Tribes of Warm Springs as the Corrections Lieutenant.

Thank you for considering these unusual facts and circumstances.

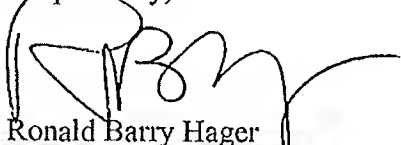
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1. It is my hope the Board will consider all the circumstances and choose not to deny my certification.
2. It is my hope the Board will make a statement that the conduct is an important consideration for a future hiring agency in Oregon, but leave the matter to the discretion of an agency head who may choose to consider the totality of my experience and history before appointment.

Although I agree an unlawful act was committed, as the Policy Committee reviews the mitigating circumstances and fairly evaluates the totality of my involvement and overall unblemished career in public service, it is my hope I can put this matter behind me and attain Certification through the Oregon Department of Public Safety and Training. I will not let you down.

Thank you for your consideration.

Respectfully,



Ronald Barry Hager



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I was born and raised in Northern Virginia. I grew up in Arlington, Virginia, and starting working for the Arlington County Virginia Sheriff's Office in February 1977. In September 1977, I married, and purchased a home in Arlington where we raised two children. After an unsuccessful political run for Sheriff, we moved to Arizona in 1992 working for the Salt River Pima Maricopa Indian Tribe in Phoenix, Arizona. After establishing residency in Arizona, I applied and was offered the position of Jail Commander in Cochise County, Arizona in January 1994. The Jail Commander position is not a sworn law enforcement officer – it is classified as a civilian position, not requiring law enforcement certification from the State of Arizona. I purchased a home and moved my family to Cochise County, Arizona.

In 2004/2005, I separated/divorced after 27 years of marriage and started a relationship with Eugenia Guadalupe Aguirre (Gina). In 2006, I was promoted to Bureau Chief with the Cochise County Sheriff's Office, another civilian position not requiring law enforcement certification from the State of Arizona. On February 2, 2007, Gina and I were married in Nogales, Arizona.

I met Gina at the Cochise County Jail in Bisbee, Arizona where she worked for the Cochise County Health Department and I was the Jail Commander for the Cochise County Sheriff's Office. Prior to meeting, I did not know Gina or her family history. We worked together for a period of time (2002 – 2005) prior to starting a personal relationship in 2005. I divorced, and married Gina on February 2, 2007.

Eugenia Aguirre Hager (Gina) has two brothers and two sisters living and working in the United States. Gina's father, Gilberto Ozuna Aguirre was born in Mexico and married Gina's mother in Naco, Sonora. Gina's mother subsequently divorced her father while he was in prison, and remarried. Gina has many relatives living in the United States as well as Naco, Sonora. Gina grew up in Naco, Sonora, but eventually moved with her family to Sierra Vista, Arizona. Prior to marrying me, Gina owned a home in Hereford, Arizona.

Gina has several brothers and sisters:

- | | | | |
|-----------------------------|------------|------------|---------------------|
| • Eugenia Guadalupe Aguirre | ██████████ | US citizen | (Medical Assistant) |
| • Gloria Belinda Aguirre | ██████████ | US citizen | (Preschool teacher) |
| • Gilberto Junior Aguirre | ██████████ | US citizen | (Fireman) |
| • Ramon Fernando Aguirre | ██████████ | US citizen | (US Army) |
| • Emilce Melina Aguirre | ██████████ | US citizen | (Unemployed) |

In April 2005, Gina's Uncle, Francisco Aguirre, passed away while serving a sentence in a Mexico prison (Gina's father – Gilberto Ozuna Aguirre, and another uncle – Rafael Ozuna Aguirre were in the same prison for drug trafficking charges in Mexico – a total sentence of 12.5 years, they went to prison in 11/1993. Gina lived and worked in the United States, eventually completing EMT and CMA training. In 2002, Gina was hired by the Cochise County Health

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Department as a Detention Medical Technician working in the Cochise County Jail. After several years of service, Gina was promoted to DMT Supervisor.

In May 2005, after serving 12 years in a Mexican prison, Gilberto and Rafael were released – however, they were still wanted in the United States for failing to appear on drug trafficking charges that occurred prior to them being arrested and subsequently sentenced to the Mexican prison. As a result of the drug trafficking charges in the United States – Gilberto, Rafael, Hector, and Francisco were in jail in Cochise County prior to 1993, but subsequently posted bond and then failed to appear, remaining in Mexico until their arrest by Mexican authorities or similar charges.

Neither Gilberto nor Rafael entered the United States after being released from the Mexican prison for fear of being re-arrested, incarcerated, and sent to a US prison. Gilberto speaks no English. I do not speak or understand Spanish. All conversations between me and Gilberto were minimal or required interpretation from Gina. No conversations between me and Gilberto were recorded.

2/11/1993 (Father)
At the time of his arrest in the United States, Gilberto was identified by US authorities as a leader in the Naco, Sonora/United States Drug Trafficking Operation. After Gilberto's incarceration in Mexico, Leonardo Valdez (aka Nalo) succeeded him. There was a time that "Calichi" worked for Nalo, but at some point, Nalo got into an argument with Calichi. On 09/25/2001, Nalo was kidnapped passing through a Mexican checkpoint, and killed. After Nalo was killed, Calichi succeeded him and took over the Naco drug trafficking business.

Gina's Uncle Francisco died in a Mexican prison. Gina was able to get her Uncle Francisco's remains returned to Naco, Sonora and a wake/funeral was conducted on April 4/5, 2005. At this time, Gilberto and Rafael remained in a Mexican prison and were not in attendance. I was invited to attend the wake and the funeral. On the day of the funeral, I drove Gina's grandmother to the Catholic Church, back to the house, then to the gravesite. Gina's grandfather had previously passed away. After the gravesite services, Gina and I brought the grandmother to her home in Naco, Sonora, and returned to our home in Hereford, Arizona. Later, I was told "Calichi" was at the gravesite. I was not familiar with the name "Calichi," or his role in drug trafficking. During a conversation at the Sheriff's Office some time later, the name "Calichi" came up and I told the story of how I was told he had been at the gravesite. I was asked if any pictures were taken...or if I could remember what he looked like...I said no pictures were taken, but the person I remembered seeing from afar, looked like "Freddie Prince," with dark curly black hair. I was informed that "Calichi," was in charge of the Naco, Sonora drug trafficking business, and controlled territory for many years on behalf of a Cartel known as 2000. I was told his real name was not known to law enforcement.

I was not aware of any multi-agency investigation known as Operation Vanquish until I read about it in a local newspaper...after Nunez was arrested in December 2006. The Border Alliance Group (described later) is not Operation Vanquish and was not part of the operation (to my surprise) – a fact I discovered only after Operation Vanquish became public.

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Throughout my visits to Mexico, I saw suspicious activity and reported it to the Border Alliance Group. I would discuss the border situation with law enforcement officials, and was told by members of BAG that information was not readily available...or shared between federal/local agencies. I offered to report information I learned, but it would not be safe for me if the "bad guys," thought I was there to gather intelligence – because that was not my purpose.

BORDER ALLIANCE GROUP (BAG)

The main office for the **Border Alliance Group** (a group of law enforcement officers within Cochise County). The Border Alliance Group (BAG) is a Multi-agency Task force with the host agency being the Cochise County Sheriff's office, Arizona Department of Public Safety, United States Border Patrol and Immigration Customs Enforcement (ICE). The BAG Task Force is a participating agency of AZ HIDTA (High Intensity Drug Trafficking Area) which is a federal agency who provides funding for the Task Force. The BAG task force is overseen by the Cochise County Sheriff's office Investigations division Lieutenant. A tactical squad consisting of two Cochise County Sheriff Detectives, a Tombstone Marshall's office Detective, and a United States Border Patrol Agent assigned to the task force are directly supervised by a Cochise County Sheriff Sergeant. The Arizona Department of Public Safety maintains a separate strategic squad which is a part of the BAG task force. Bag task force members are responsible for seeking out narcotics violators through self initiated activity, information passed on to the task force by patrol personnel or other agencies and anonymous calls forwarded to the BAG office. BAG officers target street level narcotics by conducting follow-up on information received and also conduct street level narcotics interdiction missions where officers perform traffic stops and make community contacts to seek out narcotics violators. BAG officers prepare cases by working closely with the Cochise County Attorney's Office for criminal prosecution. Officers complete detailed reports, keep records of violators and potential targets and also draft and execute Narcotics search warrants. In addition, BAG officers seek out and monitor narcotics smuggling corridors through which narcotics are smuggled illegally into the United States by mule groups or driven through vehicle loads. These smuggling corridors often are in remote or less uninhabited areas. BAG officers frequently seize significant amounts of narcotics smuggled into Cochise County.

I did not document all dates and times I was given and subsequently provided information to BAG...because I did not think I would need the detail – I believed I was providing information that would be confirmed by others should it be necessary. I never wanted any of the information attached to my name as it would make trips to Mexico unsafe even though all the family knew where I worked.

I never hid the fact to the Sheriff's Office – or anyone for that matter - that I was traveling to Naco, Sonora. I knew several of the federal officers working at the Naco Port of Entry as some were former employees of the Sheriff's Office.

- I was aware of concerns, rumors, half truths, and innuendos about my relationship with Eugenia Aguirre (Gina) and subsequent trips to Naco, Sonora.

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- I knew some employees in the Sheriff's Office believed it was inappropriate for me to go into Naco and be around "drug traffickers," since I was employed by the Cochise County Sheriff's Office.
- I was aware drug trafficking from Mexico into the United States was on-going, and it did not seem anyone was making progress as intelligence appeared to be unreliable.
- I knew Mexican drug cartels were fighting, and it appeared the Naco, Sonora territory was included in the fight and up for grabs. I made a concerted effort to relieve concerns of my relationship with Gina by reporting suspicious activity and information to the Border Alliance Group (BAG). I would talk about the border situation and how information was not readily available...or shared between federal/local agencies.
- I committed to share any information I learned, but it would not be safe for me if the drug traffickers thought I was there to gather intelligence – because that was not my purpose for being there.
- I was never asked, or provided any covert operations relating to drug interdiction efforts involving the Cochise County Sheriff's Office or any other law enforcement organization.

As Gina and I started going into Naco, Sonora on a regular basis (Gina's grandmother was sick from 2005, and subsequently died of cancer in 2007), at some point, I started hearing/receiving information about the Mexican drug trafficking operation I felt needed to be passed to law enforcement. Most of the information was being provided voluntarily – by Gina's father Gilberto, or by a cousin Jorge through Gilberto. Jorge was not physically present during many visits and conversations while visiting Gina's grandmother. When Gina and I went to Jorge's home in Naco, Sonora, it was to pick up Gina's son or Jorge's son to take him back to Hereford, Arizona to visit or participate in an activity. Information was always given to Gina in Spanish and she would translate the information to me in English because I do not speak Spanish. Although I knew there were hidden agendas, law enforcement needed the information and I felt it was reliable. I suggested through Gina/Gilberto on numerous occasions, that Jorge should work directly with Arizona law enforcement authorities, but Jorge did not trust law enforcement – he was convinced he was wanted under his legal name or some other alias that he may have used in the past.

Hidden agendas? There were on-going violent confrontations between competing cartels (El 2000 and Kadafi – Javier Rascon) relating to the Naco, Sonora territory between 2005 and 2007. Calichi, who worked for El 2000 became weak and not effective and subsequently fled to the United States, leaving his supporters to defend for themselves. Many of Calichi's supporters were kidnapped, disappeared, or showed up dead. The new group leaders (Kadafi) became more violent as time went on. I considered that one of the hidden agendas was to get the new leadership apprehended and weak...so their tactics would be minimized.

I once asked Gilberto, through Gina, *what was expected in return* for information he was providing. He said it was his hope that once the information provided was confirmed...as a result of the accuracy, sensitivity and VALUE of the information, any pending matters that would

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prohibit him from entering the United States as a visitor, would be resolved in his favor or dismissed – I never made any promises, but said I would relay the information to the proper authorities...and I did. Information was given freely, without any promises.

All information I thought was useful that I received or learned, was given directly to an agent within the Sheriff's Office - to include names, pictures, locations, modes of operation, etc.

- Illegal entry points (US citizen property and possible fed agent) in Palominas.
- Illegal entry points near cement factory between Bisbee/Douglas.
- Modes of operation, to include new "Drug Trafficking Administration" in Naco after Calichi left and fled to the United States.
- Specific names, vehicle licenses, actual pictures, and locations.
- Adalberto Sanson Canisales was allegedly arrested by US Federal Authorities in Naco....taken to "Florence." However, there was never a person by this name located in US custody - and he has not been seen in Naco.
- Valdez, Herman (Naco, AZ) remains involved in drug trafficking.
- Cell phone with current telephone contacts (United States).
- Information provided regarding who was coming into the United States and delivering items to Calichi – if they wanted to find him, follow the vehicle(s) – he wanted/needed Viagra and cash.
- Armored vehicle description.
- Naco, Sonora houses reinforced with bullet resistant glass.
- Adrian Gonzalez Farias – undocumented fugitive from California and Arizona
- Names and contacts in Bisbee/SV, Cardian Romo Valenzuela, 1203 W. Granada Lane, Bisbee
- Calichi's legal name, Carlos Molinares Nunez

Additional information I provided directly to BAG:

Thursday, August 17, 2006

David Romo Morales (Big player) currently resides in the gray/blue apartments across from the Bisbee Middle School on Melody Lane – he does not want to be flashy. He owns lots of property in Mexico, but is staying in the US because it is "hot" in Mexico right now – still very involved in the "business."

There is one ranch in Mexico, close to/on the border in Palominas – the ranch is owned by Mamiel Alcaraz (Big player). There is an adjoining ranch on the US side in Palominas – the ranch is owned by a federal agent (retired, maybe DEA or BP).....and either him or his son is involved with Alcaraz and Morales. The ranch on the US side can be identified by a LARGE American flag.

Several days ago there was a "shooting" on the US side, on the agent's ranch.

Exhibit

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Both of these houses are used to cross loads – and sometimes people.

There is also another stash house (ranch) that is part of the group. The ranch is located somewhere close to river in Palominas.

San Carlos - Hereford

The brick house is owned by Alcaraz's sister – it is primarily a stash house. The sister's husband was previously arrested in the US.....eventually deported where he died in Mexico. Mannel Alcaraz frequently visits his sister.

****The house directly across the street is occupied by Rocky (Big player) – he directs all movement of loads from Hereford to Tucson.*

There are other houses in the area (on the corners) that are lookouts. One house on a corner is occupied by a family - named Salomon.

Alcaraz is the father of Noel Alcaraz – who was sentenced to LIFE in US for Murder (wrote snitch on victim) ...SV case. Alcaraz may have visited his son while he was incarcerated in the Cochise County Jail (visitor cards).

.....there was an incident in Palominas (drug seizure by feds) – subsequent to the arrest, a person whose real name is Adalberto Sanson Canisales was arrested (witnessed by others) at his home in Naco, AZ, and taken to Florence by the feds. The name the feds were given is not Canisales so he is in custody by a different name. Canisales is a key player in the drug ring.

11/17/2006

CALICHI fled to Phoenix from Tucson (left Naco, Mexico months ago...allegedly running from the new "Administration." (Javier Rascon, the new drug boss in Naco/AP). It is unknown where Calichi's wife resides, however her mother lives in Bisbee and she spends a great deal of time with her mother.

CALICHI currently (11/2006) has a brother incarcerated in Florence.....his brother was beaten badly in prison as a result of his affiliation with Calichi (deal gone bad).

Carlos Molina (Calichi's property caretaker in Mexico) continues to enter the US at the Naco Port of Entry - recently he was stopped and questioned as he passed through the Port (his sister was also in the vehicle, her name is Anabel Molina, aka "Bebel."), but no search was conducted of his vehicle. The vehicle contained a small quantity of cocaine and Viagra that was being delivered to someone to deliver to Calichi. Calichi's current/on-going agent lives in Tucson, her name is Monica Beltran.

- *BELTRAN serves as Calichi's middleperson (automobiles, tags, license).*
- *CALICHI has a valid AZ Driver's license under his real name, Carlos Molinares Nñez.*
- *BELTRAN purchased a "Hummer" in her name for Calichi (months ago). The*

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vehicle remains in her name....but was taken by the Federales....since it is still in her name, she has now reported it stolen and is expecting to recover it from the Federales so she can deliver it to Calichi in Phoenix.

TIRADERO - DROP POINT HOUSE - HEREFORD

There is a current "tiradero," drop point house, located at 7701 Canada in Hereford. The house is odd shaped, green in color. The house is used as a midpoint for hiding illegal aliens, narcotics, and CASH. A house was identified in the past, but the actual location of the house in question was confirmed on Sunday, 11/19/2006. It was previously believed to be off of Ramsey Road - but when the location along with pictures of the home were presented to the CI, he said it was the wrong street...and house. Further discussion.....and a few hand drawings, pinpointed the house on MOSON Rd, two story, green in color. I took some pictures of the house at the corner of Canada and Moson that fit that description....the CI confirmed the pictures as being the house. He reiterated that he had never been to the house, but during numerous discussions with others (as recently as this week) the house was described and located on the corner of Moson/Canada.

Other specific names and information provided and passed on to BAG:

- Ivan Edith Molina or Ivan Edith Molina Aguirre
Vehicle – Mexican Plates 054SWT2, Mini van

Married to Carlos Molina*
- Luis Castro (working in Best Bny...saw him selling CD's/Movies at the Swap Mt.) I believe he may have been a CI for federal authorities.*
- Eleuterio Martinez, Sr. – lives in Palominas and owns JR Cabinets*
- Eleuterio Martinez, Jr. – has two babies with Gina's daughter, Miriam Morales.*
- Greg – lives off of Garden Valley, drives Black pickup with large wheels. Was eventually arrested for possession of a large quantity of marijuana*
- Justin Irwin – his father works at Copper Queen Hospital in Bisbee – he is married to Gina's cousin, Claudia Urrea Irwin*
- Adrian Gonzalez Farias, Bench Warrant CR200300925*

I provided pictures and location of a "stash house" that was discussed in the previous posting to BAG. Sergeant Gregory told me that BAG did surveillance on the "green house" and subsequently executed a search warrant that did not produce any drugs, evidence, or any illegal activity...and the property owners were not happy.

I would hear/learn names (sometimes the names were reversed with the mother's maiden name first or father's name first, nicknames, etc), and sometime I would receive names directly from Gina. At times in conversation, Gina would clarify/provide names of people who were involved in the "drug trafficking business," but were not known to U.S. Authorities. I would sometimes

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go into Cochise County Sheriff's Office Dispatch Center in Bisbee, and ask a terminal operator (whoever was on duty at the time) to run a name(s) – I never went back to the individual named...or Gina with "wanted information." I never released any information, to non-law enforcement individuals, regarding someone who was wanted by law enforcement. In most cases, those who lived in Mexico that had outstanding warrants in the US knew they were wanted.

I was never was offered to be paid to provide information on any specific person or law enforcement operation. I never paid for any information.

I did ask CCSO Dispatch terminal operators to check/run several names of Gina's relatives and others in order for me to know who was wanted by authorities, and who was not as they frequently entered the US and I did not want them at our home in the United States, or associate with them in the United States if they were wanted.

Those who were wanted by US authorities knew I was not approachable, and that I would report them if I saw them in the United States – it was my job.

I never used a law enforcement computer terminal without proper authorization.

Any names I requested to be checked...are logged in CCSO Dispatch as me being the one requesting the information – there were no secrets and no CCSO employee was ever asked to keep or hide the fact that I was asking for the information.

clarify
? Jorge.

Easter, 04/16/2006/Gina and I went into Naco, Sonora to a picnic in the "mountains TIRO AL BLANCO." – which Gina says means "target range." On the way to the picnic area (I drove my 1982 Chevy truck) because Gina's son wanted to bring his ATV and ride it with his friends...Gina and I drove along a fenced-in area. Gina told me that the land on the other side of the fence belonged to Calichi – but I could not see his house from the road. We drove further (never crossing the fence) and came to a picnic area where many families had gathered. Jorge's wife, Nora Arena De Rodriguez delivered baskets and candy for the kids and there was plenty of food. Several of the adult males were playing horseshoes....so, Gina's brother and I teamed up...winning – to the point where others wanted to challenge us for money – I would not play for money. At some point, Gina's father's truck needed a jump start or pulled out of a ditch. I asked Gina's brother (who speaks English) if they needed help – Gina's brother said come on. I got into a vehicle and noticed the vehicle had bullet proof glass, and I must have looked surprised as Gina's brother was laughing at my reaction to the vehicle. We drove a short distance down a ravine and helped start/pull the small truck out. We returned to the picnic. The next day I worked at the Sheriff's Office, I shared the information with BAG about the armored vehicle.

I continued to try and convince Jorge to work directly with law enforcement – he was resistant.

Sometime during September (15-18) 2006, Jorge asked Gina to help him sell a vehicle – a white Chevrolet Pickup (his legal name is Jorge Alberto Rodriguez Aguirre). Jorge is a resident of Naco, Sonora. Jorge was in hiding...and needed money to feed his family. Jorge had provided a steady flow of reliable information regarding current drug trafficking operations between the

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United States and Mexico – I relayed the information to BAG - and I wanted to continue that flow until I could convince him to work with BAG directly. Jorge is Gina's cousin and his son had gone fishing with us. Gina and I agreed to help him and went to Mexico and drove the vehicle into Hereford, Arizona through the Naco Port of Entry (Jorge provided the vehicle title, and I checked to make sure the vehicle was not stolen). The AZ title had been altered (signed over to Jorge in Mexico - in the wrong signature spot), so I sent a registered letter to the last listed owner – the letter was returned undelivered. The owner listed on the title was Carlos Roman Lopez, [REDACTED], Arizona [REDACTED]. The 2003 CHEV Pickup Truck had a valid VIN 1GCEK19T73E139939. Jorge told Gina he bought the vehicle from Carlos Lopez down in Mexico...and Gina and I saw Jorge driving the truck around Naco, Sonora for a period of time – and he possessed the title.

I told Gina the only way to sell the truck was to get the title re-signed and notarized. Gina said Tiffanie (Gina's sister-in-law is Tiffanie Aguirre) was a Notary and she would ask her. We drove the truck over to Tiffanie's house in Sierra Vista (tags and registration were valid at the time), and while I was outside showing the vehicle to Gina's brother, Tiffanie notarized the title for Gina in the house. The next day, I took the title to the AZDMV in Sierra Vista, and had the vehicle titled in my name – I submitted the paperwork and was issued a new title. I went to Wells Fargo Bank at the Sierra Vista Mall, signed the title in the presence of a notary, and had my signature notarized in order to sell it. I drove the vehicle to Calvary Motors in Hereford, Arizona (a consignment dealership) and the dealership agreed to accept the vehicle on consignment. The next day, Jorge contacted Gina and said he had a friend in Tucson who had agreed to buy the truck if it could be delivered to Tucson. I went to Calvary Motors and got the truck back. I drove the truck (Gina followed in her Jetta) to Tucson and met the party at a gas station right off Interstate 10. I did not speak to the person purchasing the truck. The buyer did not have the money....after some discussion between Jorge (the actual truck owner) and Gina on the cell phone, we were asked to drive to another location - which we did. Once they got to the second location, the person who was buying the truck did not have the full purchase amount, so after some additional cell phone discussion between Gina, Jorge, and the buyer, money was given to Gina. She gave the new owner the title and we drove back to Sierra Vista. The next day, I reported the vehicle sold to AZDMV, and Gina took the money to Naco, Sonora.

At some point in November 2006, after Calichi had fled Mexico, but prior to his arrest, Gina told me that Jorge wanted to give me a "cell phone," that contained information (Jorge speaks Spanish, so I was not able to communicate directly with him coherently on any occasion...I speak no Spanish.) Jorge did not want the phone to be out of his possession for very long, and did not want the phone bugged when it was returned. He did not want anyone to know where the phone came from. I discussed the phone offer with BAG and subsequently told Gina yes, to get the phone. When I talked to BAG, I told them I was going to get access to the cell phone, but they needed to download everything and return it to me within 24 hours – they said they could and agreed on the conditions. The telephone was given to Gina down in Naco Sonora, Gina gave the phone to me, I delivered the phone to Floyd Gregory or Marc Denney. Floyd Gregory or Mark Denney returned the phone to me. I delivered the phone to Gina. Gina took the phone back to Naco, Sonora and handed to her father to be delivered to Jorge.

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At some point, BAG Sergeant Floyd Gregory again expressed an interest in meeting the "informant" face-to-face. I told him I did not think that was possible, and he would have to accept what he/they gave us and the fact they may NEVER be willing to do anything face-to-face...Jorge did not trust US law enforcement officers, and was convinced he was wanted in the United States, but I said I would let the offer be known at the right time if the opportunity became available as it would be in his best interest to cross with his family and remain in the United States.

During one discussion, I told Sergeant Gregory that Calichi was hiding in Bisbee and/or Tucson. Gregory said no, he was held up somewhere in Phoenix. I told him I had received reliable information that Gina's cousin, Ivan Edith Molina Aguirre would load furniture into a truck and the furniture contained secret compartments where her husband (Carlos Molina) would conceal money, drugs, and Viagra. She would drive the vehicle across the border at the Naco Port of Entry into Bisbee where she would meet up with Calichi or his representative. I provided BAG a picture of Ivan Edith Molina Aguirre, and told them if they would follow her, she would take them to Calichi.

On one occasion, Gina told me that Ivan Molina Aguirre had just been seen loading the truck and getting ready to exit Naco, Sonora. I immediately called BAG (Sergeant Gregory) and gave him the information. A couple of hours later, Gina received a call saying Ivan Molina Aguirre had returned to Naco, Sonora. The next day, I talked to Sergeant Gregory in his Office in Bisbee, and asked him what happened? Gregory said he made some calls, but did not have the resources to respond with such short notice.

On one occasion, Gina received a telephone call from someone who told her Calichi had been arrested in Tucson — they were having parties in the streets of Naco, Sonora...in celebration. I called Sergeant Floyd Gregory on his cell phone and he said he did not know if Calichi had been arrested. I asked him who would I call to confirm Calichi's arrest in Tucson....Gregory gave me the on-call DEA Agent's telephone number. I called, identified myself, and asked if Calichi had been arrested...(I really wanted to know if any of the information we had provided had been beneficial) the agent stated he could not comment on that. Within the next day or so, articles appeared in the local papers and the news announced the arrest of Calichi (see below articles).

12/06/2006

U.S. officials nab alleged Naco, Sonora, crime figure known as 'Calichi'

By Jonathan Clark, Herald/Review

NACO, Sonora, Mexico — A man suspected of being one of this town's biggest organized crime figures was arrested in Tucson by U.S. officials and charged with leading an extensive and violent cross-border drug smuggling operation. According to a press release issued Friday by the U.S. Attorney's Office, Carlos Molinares Nunez, locally known as "Calichi," was arrested earlier this month and charged with continuing a criminal enterprise. Molinares and two co-defendants — Luis Alfonso Carillo Landavazo, aka "Penche," and Luis Carlos Quijada Soto, aka "Cartero" — also were charged with conspiracy to possess with intent to distribute 1,000 kilograms or

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more of marijuana. The arrests came as a result of a three-year, multi-agency investigation known as "Operation Vanquish" that resulted in the reported seizure of thousands of pounds of marijuana attributable to the Molinares trafficking operation, the press release said. Smugglers working for the operation often resorted to extreme and violent tactics to avoid capture, including high-speed car chases and shootouts with U.S. law enforcement, the document said.

Molinares, who locals say is a native of Naco and approximately 34 years old, is the owner of the Los Panchos nightclub and a new Pemex gas station at the southern entrance of town. His wife owns several local businesses, including a boutique and a beauty salon. The couple has a sprawling, relatively opulent home in the working-class Colosio neighborhood, from where Molinares reportedly operated a high-tech surveillance center to monitor law enforcement activity. Neighbors said heavily armed men were sometimes seen standing guard outside the home. Molinares himself was an elusive and sometimes mysterious figure — especially after he became wanted by Mexican law enforcement on human trafficking charges. "Everybody was looking for him, and people would often say, 'I saw him here,' or 'I saw him there,' but I haven't seen him at all," said one local woman who asked that her name not be used out of fear of retribution. "Helicopters would fly overhead and everyone would say, 'They're looking for Calichi.'" In late November, agents from the AFI, the Mexican equivalent of the FBI, announced they had captured Molinares during a traffic stop outside the Sonoran city of Caborca. But the arrested man, who had identified himself to agents as Molinares, turned out to be someone else presumably hired to serve as a decoy. Then on Dec. 1, agents from the PGR, the federal Attorney General's Office, announced they had captured Molinares, again in Caborca, and taken him to a detention center in Agua Prieta. According to press reports, the PGR charged Molinares with smuggling migrants into the United States from Naco and surrounding areas for \$1,500 to \$2,000 per person. It is unclear, however, how he then managed to get from an Agua Prieta prison to Tucson in time to be arrested by U.S. officials on Dec. 9 — or if the PGR had even detained the real Molinares. Calls to the U.S. Attorney's Office and the Drug Enforcement Administration, one of the agencies participating in Operation Vanquish, were not returned on Friday. In addition to his alleged human smuggling activities, the Nogales, Sonora-based newspaper El Diario reported Molinares also is suspected of serving as lieutenant for a violent gangster known as "El 2000." El 2000 is reportedly part of a regional narco-trafficking gang known as "Los Numeros," a name derived from its members' practice of using numbers instead of names. According to El Diario, El 2000 is known for his "ruthless manner of adjusting accounts" with rival criminal groups. Molinares' co-defendants, Carillo and Quijada, were unknown to local residents queried on Friday. Carillo was arrested in Phoenix on Monday, and Quijada was arrested the same day as he entered the United States at the Douglas Port of Entry. Carillo and Quijada were ordered held without bond after a detention hearing Thursday. A detention hearing for Molinares is set 10:30 a.m. on Wednesday at U.S. District Court in Tucson. A conviction for continuing a criminal enterprise carries a maximum penalty of life in prison, a \$2 million fine or both. A conviction for conspiracy to possess with intent to distribute 1,000 kilograms or more of marijuana carries a maximum sentence of life in prison. In addition to the DEA, other agencies participating in Operation Vanquish included the FBI, U.S. Immigration and Customs Enforcement, and the Bisbee Police Department. "We are pleased to have been involved in this investigation from its inception through the end," Bisbee Police Chief James

Article
Dec 6
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Elkins was quoted as saying in the press release. "We feel that the end results are a positive impact for Bisbee as well as the surrounding communities." Elkins was out of town and unavailable for further comment Friday.

Arizona Daily Star[®]
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Published: 12.14.2006

**Suspected leaders of major drug ring jailed
Operation brought in tons of pot, has history of violence, records say
By Alexis Huicochea**

ARIZONA DAILY STAR

An international drug-trafficking organization that brought violence and thousands of pounds of marijuana into Southern Arizona has been busted, according to court documents made public Wednesday.

The organization, led by Carlos Molinares-Núñez for the last five years, has been linked to homicides both in Mexico and the United States that appear to be drug-related, court documents state.

The Molinares-Núñez drug operation is also responsible for moving thousands of pounds of marijuana into Southern Arizona during a three-year period in which it was being closely monitored by the Drug Enforcement Administration, U.S. Immigration and Customs Enforcement, the FBI and the Bisbee Police Department, records show.

An indictment filed in federal court in November was unsealed Wednesday, detailing the intricacies of the ring, which has at least 20 employees.

Only three people, including Molinares-Núñez, were named in the indictment. The other two are considered to be his top co-conspirators — Luis Alfonso Carillo-Landavazo and Luis Carlos Quijada-Soto, according to a memorandum filed in U.S. District Court.

The memo details how Molinares-Núñez set up a command center in his home in Naco, Sonora, where, using high-tech equipment, he monitored law enforcement radio frequencies, including those of federal agents in the United States.

"On numerous occasions, agents were frustrated in their enforcement efforts due to active physical and electronic counter-surveillance techniques, which were routinely performed by members" of the drug gang, court documents state.

Agents were not only frustrated by those barriers but also with the fights that the organization would put up any time law enforcement caught them transporting marijuana into the country.

Many tons of marijuana would be transported at one time in modified vehicles that would enter the country by driving in between designated ports of entry to avoid law officers, the memo said.

"On numerous occasions, agents were frustrated in their enforcement efforts due to active physical and electronic counter-surveillance techniques" by group members.

Memorandum filed in U.S. District Court in Carlos Molinares-Núñez case

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The drivers were told to evade officers if detected, which resulted in a number of high-speed pursuits as they attempted to return to Mexico.

In one incident near Naco, Ariz., a vehicle became disabled, and the smugglers had to make their way back to Mexico on foot, documents show.

After their escape, they fired across the border with semi- automatic guns.

In another incident detailed in court records, an agent working the case got into a shootout when members of the drug organization confronted the agent at his home.

On Saturday, Molinares-Nuñez — a Mexican national who is a lawful permanent resident — was arrested in Tucson while he was staying with his wife's relatives, his attorney, Walter Nash, said Wednesday.

At the time, he had \$4,600 in U.S. currency, a concealed handcuff key and cocaine.

Carillo-Landavazo — who according to court documents was an upper-level manager in charge of the distribution of marijuana from Mexico to Tucson and Phoenix — was arrested on Monday after he was seen leaving a residence linked to the drug gang. He had a border-crossing card, which has been rescinded.

Quijada-Soto, who was also arrested Monday, was responsible for obtaining the vehicles used by the ring and securing drug stash houses in Tucson, court documents state.

He was arrested at the Douglas port of entry while trying to enter the United States.

All three men remained in custody Wednesday at a federal detention center, Nash said.

A hearing will be held at 10:30 a.m. Wednesday to determine if they will be held without bond.

Molinares-Nuñez was indicted on two charges — continuing a criminal enterprise and conspiracy to possess with intent to distribute marijuana — and is facing a 20-year mandatory minimum sentence.

His co-defendants, who were both indicted on the conspiracy charge only, are facing at least 10 years.

"On numerous occasions, agents were frustrated in their enforcement efforts due to active physical and electronic counter-surveillance techniques" by group members.

Memorandum filed in U.S. District Court in Carlos Molinares-Nuñez case

- *Contact reporter Alexis Huicochea at 629-9412 or ahuicochea@azstarnet.com.*

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News Release
FOR IMMEDIATE RELEASE
December 18, 2006
Special Agent Ramona Sanchez
Public Information Officer
(602) 664-5725

Sonora Man Charged with Leading Criminal Enterprise
MDTO Allegedly Smuggled Tons of Marijuana into the United States

DEC 18 -- TUCSON -- Three men have been arrested pursuant to a federal indictment that accuses them of leading an extensive criminal enterprise that smuggled tons of marijuana into the United States.

In November, a federal grand jury in Tucson returned a sealed three count indictment against Carlos Molinares-Nunez, aka "Caliche" and two other men. The indictment charges Molinares-Nunez with Continuing Criminal Enterprise. Molinares-Nunez and two other defendants - Luis Alfonso Carillo-Landavazo, aka "Penche" and Luis Carlos Quijada-Soto, aka "Cartero" - were also charged with Conspiracy to Possess with Intent to Distribute Marijuana.

U.S. Attorney for the District of Arizona Paul K. Charlton stated: "Molinares-Nunez are suspected of leading an extensive drug trafficking organization that moved narcotics across the border into American communities. I am grateful to the continuing coordinated efforts of federal and local law enforcement agencies, who are dedicated to dismantling such ongoing criminal enterprises."

The indictment was the result of a three year investigation into the Molinares-Nunez Drug Trafficking Organization (MDTO) by the U.S. Drug Enforcement Administration (DEA), U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI) and the Bisbee Police Department. "Operation Vanquish" resulted in the seizure of thousands of pounds of marijuana attributable to MDTO.

"Today, we have taken another important step in our fight against drug trafficking," said DEA Special Agent in Charge Timothy J. Landrum. "'Operation Vanquish' identified and dismantled a violent criminal enterprise responsible for smuggling and distributing multi-ton loads of marijuana into Southern Arizona."

"ICE is committed to working closely with our law enforcement partners at all levels to combat the scourge of drug smuggling," said Phoenix ICE Special Agent in Charge Alonzo Peña. "This sophisticated illegal operation underscores the importance of addressing border security comprehensively. We must look not only at the borders themselves, but also at our nation's interior, and at the modes and methods used by criminals who attempt to harm our communities."

FBI Phoenix Division Special Agent in Charge John E. Lewis stated, "The frequency of assaults along the border and specifically against Border Patrol agents is to some extent driven by violent

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drug organizations protecting their shipments. The FBI is privileged to work alongside its long-time partners DEA and ICE in such investigations and appreciates the opportunity to work with these agencies in dismantling this significant drug trafficking organization.”

“We are pleased to have been involved in this investigation from its inception through the end,” said Chief James Elkins, Bisbee Police Department. “We feel that the end results are a positive impact for Bisbee as well as the surrounding communities. We feel that the thousands of man hours spent was well worth it to make our Community safer and to make a significant impact in the illicit drug trade.”

Molinares-Nunez was arrested in Tucson on December 9, 2006, following extensive surveillance. The second defendant named in the indictment - Luis Alfonso Carillo-Landavazo, aka “Penche,” is believed to be an upper-level manager for the MDT0. He was arrested in Phoenix on December 11, 2006. Luis Carlos Quijada-Soto, aka “Cartero,” a Mexican citizen and the third individual named in the indictment, was arrested on December 11, 2006, at the Douglas Port of Entry. *How could article have been 12/6/06*

At a detention hearing held December 14th in Tucson, U.S. Magistrate Bernardo Velasco ordered Carillo-Landavazo and Quijada-Soto remain detained. A detention hearing for Molinares- Nunez is set for December 20th at 10:30 a.m.

A conviction for Continuing Criminal Enterprise carries a maximum penalty of life in prison, a \$2,000,000 fine or both. A conviction for Conspiracy to Possess with Intent to Distribute 1,000 kilograms or more of Marijuana carries a maximum sentence of life in prison. In determining an actual sentence, the judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The prosecution is being handled by Bradley Giles, Assistant U.S. Attorney, District of Arizona, Tucson.

12/19/2006

Home of alleged Naco, Sonora, drug kingpin 'Calichi' burns: Investigators suspect arson
By Jonathan Clark Herald/Review

NACO, Sonora — An early morning fire Monday gutted the palatial home of accused organized crime kingpin Carlos “Calichi” Molinares Nunez, just days after he was arrested in the United States on drug trafficking charges. Local fire officials say they suspect arson. According to Fire Chief Jose Gutierrez, the blaze started at approximately 5:30 a.m. after Molinares’ sprawling single-level home was doused with gasoline and set alight. Moments later, a second, three-story building within the Molinares compound was ignited by a Molotov cocktail, possibly thrown from the street outside. “We don’t know if it was for robbery or just to cause damage,” Gutierrez

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said. "But it was intentional." U.S. officials announced last week that they had arrested Molinares in Tucson on Dec. 9 and charged him with continuing a criminal enterprise — a charge also known as the drug kingpin statute. Molinares allegedly oversaw an operation that smuggled thousands of pounds of marijuana into Arizona for distribution throughout the U.S. Officials believe he used his luxurious and well-guarded home, which occupies half a city block in the otherwise run-down Colonia Colosio neighborhood, as a command center. Fireman Jose Pedro Medina said fortress-like security measures at the home hindered efforts to fight the Monday morning fire. First, an 8-foot concrete wall forced firemen to attack the blaze from the streets outside before a Mexican army Hummer was used to break a locked gate open. Once inside the property, firefighters were confronted with well-locked doors and windows covered with iron grating. Gutierrez said there appeared to be no one at home at the time of the fire, and there were no serious injuries reported among the 18 firefighters who responded from Naco, Sonora; Naco, Ariz.; and the San Jose Fire Department in Bisbee. Jesus Morales, chief of the Naco, Ariz., fire department, said he did not observe anyone trying to remove or steal items during the fire. He also said he saw no sign of the electronics surveillance equipment Molinares allegedly used to monitor law enforcement activity. "By the time we got here, the police had done a good job of securing the area," Morales said. "Some family members were here, but no one was going in and out." Once the fire was under control at around 9 a.m., family members were allowed to enter the home and remove smaller, personal items, Morales said. By 3 p.m., when Naco, Sonora, fire officials allowed reporters to view the property, a small number of surviving items including books, Catholic religious statues and a large collection of automobile trophies had been gathered on an outside patio. Nearby sat a trampoline, a basketball hoop and children's swings that had been unaffected by the fire. On another side of the yard, a small chapel sat empty and unharmed. It had housed a shrine to St. Jude, Medina said. The inside of the home appeared completely gutted, with charred timbers still smoking and some spewing small flames. In what appeared to be a recreation room, a massive flat-screen television set had melted and buckled from the heat, while a wood-paneled bar stood blackened and smoldering. In the second building, a first-floor gymnasium had suffered extensive fire damage. Reporters were not shown the second or third floors, both of which were covered with mirrored windows. An adjacent garage which reportedly housed several automobiles was declared off limits. Outside, a steady stream of cars rolled slowly by as their occupants tried to catch a glimpse of the charred home. Pedestrians walking along the dirt streets fronting the residence were not interested in discussing the fire or the people who had lived there. "I can't talk about it," said a man in his early 20s as he ducked into a property next door to Molinares'. An investigation into the fire is being conducted by Sonora state police, officials said. Attempts Monday to reach state police commander in Naco, Roberto Bejarano Gonzalez, were unsuccessful.

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12/21/2006

Bond denied for alleged drug kingpin 'El Calichi'

By Jonathan Clark, Herald/Review

TUCSON — A federal judge denied bond Wednesday for a Naco, Sonora, man accused of leading an organization that smuggled thousands of pounds of marijuana across the border into the United States. Carlos "Calichi" Molinares Nunez, 33, was arrested Dec. 9 after being indicted on two charges — continuing a criminal enterprise and conspiracy to possess with intent to distribute marijuana. The former charge is commonly known as the "kingpin statute." On Wednesday, defense attorney Walter Nash asked U.S. District Court Judge Charles Pyle to allow Molinares to be released on a \$250,000 bond. Nash argued that as a legal resident of the United States with a large number of family members in Arizona, Molinares was not a risk to flee. Molinares has no criminal record in the United States, no history of escaping prosecution and no record of violence, Nash said. And while a memorandum from the U.S. Attorney's Office alleges the Molinares organization was prone to violence, Nash noted the indictment against Molinares contains no weapons-related accusations. "We don't dispute that the charges are indeed serious," Nash said. "But there are reasonable conditions which could alleviate concern (about granting Molinares bond)." Prosecutor Bradley Giles, however, argued that while Molinares claims a legal residence in Naco, Ariz., he actually has been living in Naco, Sonora. Molinares has had good luck bribing Mexican law enforcement, Giles said, and so he would likely return to Mexico if released on bond. "If this individual goes to Mexico, he will be out of our reach," he said. At the time of his arrest in Tucson, Molinares was found with \$4,600, a concealed handgun, cocaine and packed suitcases. That, said Giles, suggested he was preparing to flee. Several relatives had offered their homes as collateral for Molinares' bond, but the prosecutor said the modest residences, valued at approximately \$92,000, \$100,000 and \$53,000, did not represent the true assets of the family. Molinares' lavish, city block-sized compound in Naco, Sonora — which was torched early Monday by unknown arsonists — was more representative of the family's wealth, Giles said. And while Molinares told officials his principal vehicle was a 1969 Chevy pickup, Giles said investigation had shown that he drove a new Z-71 truck that cost more than \$36,000. The truck had been purchased with a down payment of \$100 bills, he said, with the balance paid off shortly thereafter. In denying the bond request, Judge Pyle noted the seriousness of the charges and agreed Molinares was a risk to flee to Mexico. He also expressed concern that the defendant, while supporting a wife and three young children, has no record of legal employment since 2000. Molinares is scheduled to be formally arraigned on Dec. 28 in U.S. District Court. A conviction on continuing a criminal enterprise carries a mandatory minimum sentence of 20 years in prison. The maximum penalty is life in prison, a \$2,000,000 fine, or both. Two of Molinares' co-defendants, Luis "Penche" Carillo Landavazo and Luis Carlos "Cartero" Quijada Soto, were arrested on Dec. 11 and charged with conspiracy to possess with intent to distribute marijuana. Both men were ordered held without bond after a Dec. 14 hearing. The charges against Carillo and Quijada carry a mandatory minimum sentence of 10 years. Carillo was an upper-level manager in charge of the distribution of marijuana from Mexico to Tucson and Phoenix, prosecutors allege. Quijada was alleged to be responsible for obtaining the vehicles used by the ring and securing drug stash houses in Tucson. A memo from

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the U.S. Attorney's Office says agents have identified at least 20 people employed by Molinares, Carillo and Quijada. "Investigative leads have also linked (the Molinares organization) to homicides, both within Mexico and the United States, which appear to be narcotics related," the memo says. In his own memorandum filed on Wednesday, Nash complained he had received little specific information as to the charges against Molinares. "No police reports or underlying information have been furnished concerning this case," the defense attorney wrote. "Indeed, newspaper and television reporters that sought to interview (me) had more detail about this case than the government has chosen to give the defendant or his counsel." Molinares, Carillo and Quijada were indicted as a result of an investigation called "Operation Vanquish" that began in February 2003. The Drug Enforcement Administration, U.S. Immigration and Customs Enforcement, the FBI and the Bisbee Police Department all participated. Earlier this month, state police in Naco identified a man they believe committed the execution-style murders last year of a local restaurant owner and two companions. Police believe Gilberto Corrales Mendoza, aka "El Ronco," shot Manuel Luna Alamillo, owner of the El Maguey restaurant in Naco; his driver, Gonzalo Ibarra Morales, of Nacozari, Sonora; and Juan Armenta, a ranch hand from the state of Sinaloa, as they drove through town on Sept. 10, 2005. Though he has yet to be formally charged with the triple homicide, Corrales is already in police custody. He was arrested on Nov. 25 in the state capital of Hermosillo and charged with kidnapping and murdering a woman and her child in the port city of Guaymas. According to the local newspaper El Mirador, Corrales also is under investigation for allegedly running a human smuggling operation in the area of Altar and El Sasabe, Sonora. At the time of the triple homicide in Naco, Corrales was reportedly working as an undercover agent for the AFI. State police commander in Naco, Roberto Bejarano Gonzalez, was out of town Friday and not available to comment on the investigation.

On November 7, 2007, I was called to the lobby of the Sheriff's Office in Bisbee and advised I had a visitor. I went to the lobby and met a man who identified himself as an FBI Agent Bryan Witt. He asked to speak to me in private. We walked back to my office and the agent said he was asked to look into how I was involved in the sale of a white Chevrolet pickup truck. I told him the story. I do not remember exactly what was discussed or said - I was nervous. But, I do remember not being forthcoming with recognizing the notary and circumstances surrounding the title and subsequent sale of the vehicle. The agent told me to think about it, and I agreed to get back to him.

*what main
office??*

I drove to Sicra Vista from Bisbee for lunch. I received a telephone call on my cell phone from Tiffanie saying an FBI Agent had come to her work to question her about the notary and signature on the truck title. She said she was scared and did not know what to do. I advised Tiffanie to tell the truth. The phone connection was lost as I was driving, so I had to call her back after I passed through a bad spot for cell phones. Before hanging up the second time, I told Tiffanie we would talk about it that night as we were both going to the soccer fields for soccer games. That night at the soccer fields, we talked further and I advised her again to just tell the truth and let the chips fall where they may. During this conversation, I was advised the telephone conversation had taken place at Tiffanie's home. Tiffanie and her husband, Gina's brother - were present with two federal agents when the call was placed to my cell phone. The call did not take place at her place of employment as stated - and only later did I learn the

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conversation had been recorded. Tiffanie stated the agent's did not appear happy with my advice for her to tell the truth.

On Friday, 11/09/2007 (about 2PM), I received a telephone call from Agent Witt on my cell phone. Agent Witt advised me he needed to speak to me further regarding the affidavit (truck title). Agent Witt asked me to come to his office in Sierra Vista.....and bring Gina – as he needed to interview her and did not want to do so at her place of employment. I asked if we could meet somewhere else....Agent Witt said it would be more convenient for him and his partner as he had other interviews, to meet in his office – so I agreed. Agent Witt asked me to bring copies of any documents he might have regarding the truck. I told him I would call Gina and meet with him at his office. Gina was not working, so I called her, picked her up at home, and we arrived at Agent Witt's office, at approximately 3:00 p.m., located at Haymore Plaza Building, 500 E. Fry Blvd., Suite M-16, Sierra Vista, AZ 85635, (520) 459-2232. We were interviewed separately and believe the conversation was recorded. Two agents were present during the interview. My advice to Gina on the way.....was "to tell the truth." Agent Witt asked Gina to stay in the lobby, and escorted me into a conference room where we were joined by another agent, Kevin. I presented the documents I had brought (sealed, return receipt envelope addressed to vehicle owner; DMV notice from me that the vehicle was sold, along with date and time; refund notice from DMV). I again explained how I got the vehicle and the process I went through to sell it. During this discussion, I disclosed how the affidavit was obtained and notarized by Tiffany Aguirre without the person being present. Agent Witt advised me the person named on the title and subsequent affidavit did not exist (it was a planted decoy vehicle in Mexico). Agent Witt asked if I recognized the name of the other notary on the new title that I signed over to the new owner. I did not. Agent Witt advised me the title was notarized at Wells Fargo Bank in Sierra Vista. Agent Witt showed me a photograph of the person who notarized the document. I did not know her, but she looked familiar. I told Agent Witt if she notarized the title for me, it would only be for my signature as I was alone – to check her book, I stated I would have presented my id at the time.

The day after the title was notarized, I went to AZDMV and got a new title in my name. I told Agent Witt I took the title and vehicle to Calvary Motors in Hereford to sell it on consignment, but Jorge contacted Gina and asked her if she could drive it to Tucson as he had a friend who wanted to buy it and had the money. I told the agent how the sale transpired and how the money was delivered by Gina to Jorge. I informed the agent I did not receive ANY money from the sale of the vehicle or the transaction – I did not handle the money – I did not count the money – we were just doing a favor for a Jorge because he needed the money to support his family (I did not tell him Jorge was providing intelligence/information to me that I was delivering to the Sheriff's Office).

After questions regarding the truck were exhausted....a criminal history printout was put in front of me and Agent Witt asked if I recognized the name of the person listed on the printout. I did not recognize the name. I kept looking at the printout....but at first, did not recognize the name. After repeatedly being asked (first name listed was Carlos? Dated sometime in April?), I guessed the name was the birth name of Calichi – Carlos Molinares-Nunez. I remembered seeing the name at some point in the past. Agent Witt asked me if I had run the NCIC records check. I told

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him no. He asked me if I had asked someone else to run the check....I told him that was possible, but I really did not remember. He kept asking me if I had run the name and then given the printout to Calichi or a member of his family. I repeatedly told him no. He asked me if I had requested others to be checked....I told him that was a possibility, but that I had never given any confidential information to someone not authorized to receive the information. Agent Witt asked me to look at the printout/teletype again and explained it had been run by Darlene Loper, a Cochise County Sheriff's Office Dispatcher, by the request of C4, Ruben Saavedra, a Commander with the Sheriff's Office. I explained that C4 was Ruben Saavedra, but that it could have been run by Saavedra at my request to see if the person was wanted.

I further explained that at times, I did not give information directly to BAG because I did not want my name to be affiliated with the critical information – and remember telling Commander Saavedra my concerns. Agent Witt pushed a copy of the printout in front of me and asked if I had provided the printout to Calichi....I replied NO.

Agent Witt told me that the FBI had flagged the name in their computers....and when it was run, they were notified.

One of the agents handed me a letter dated October 30, 2007, addressed to me, from James T. Lacey, Assistant U.S. Attorney.

Grand Jury Subpoena No. 07-02-013

Dear Mr. Hager:

Attached is a subpoena issued by the Clerk of the United States District Court, compelling your attendance before the Federal Grand Jury at the U.S. District Courthouse in Tucson, Arizona on December 5, 2007. After your testimony, I will provide you a reimbursement document. My legal assistant will present this document to the U.S. Marshal's Service in Tucson, AZ to obtain reimbursement of expenses which you might have incurred (e.g. buses fares, taxi fares, mileage, etc.). You should have your subpoena and all receipts for those additional expenses with you.

It is also requested that you do not disclose the existence of this subpoena. Any such disclosure could impede the investigation being conducted by the Federal law enforcement.

If you have any questions, please feel free to contact me.

The 2nd page is list of instructions entitled

GRAND JURY TARGET ADVICE OF RIGHTS

You have been subpoenaed to provide testimony before a federal grand jury.

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The grand jury's investigation is concerned with possible violations of federal criminal law in connection with Bribery of a Public Official, Drug Trafficking and Money Laundering, among others.

Department of Justice policy generally requires that grand jury targets be informed of their right under the law:

1. You are a target or suspect in this grand jury investigation.
2. While you must appear before the grand jury and provide the requested evidence, you may refuse to answer any question put to you in a truthful answer to the question might tend to incriminate you.
3. Anything you do say before the grand jury may be used against you by the grand jury or in a subsequent legal proceeding.
4. If you have an attorney, the grand jury will permit you reasonable opportunity to step outside the grand jury room to consult with your attorney if you desire. If you would like an attorney and cannot afford to retain one, you may contact the Federal Public Defender's Office at (520) 879-7500. The Court will require an affidavit of indigency before counsel is appointed.
5. Whoever, under oath knowingly makes a false material statement or produces false evidence material to this investigation, is subject upon conviction to a maximum penalty of up to five years in prison or a fine of \$250,000 or both.

The 3rd Page is the Subpoena
United States District Court

To: Ronald Hager
Address

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR PERSON - DOCUMENT(S) OR OBJECTS(S)

You are hereby commanded to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

You are commanded to bring with you the following document(s) or object(s):

Any and all documents or records related to the purchase and sale of a 2004 Chevrolet vehicle, vehicle identification number 1GCEK19T73E139939.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

Richard H. Weare, Clerk, October 30, 2007

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This subpoena is issued on application of the United States of America JTL:rsh, 2007R04520, Witt, FBI.

James T. Lacey, AUSA, 405 W. Congress, Suite 4800, Tucson, AZ 85701.

I told both agents I never sold or told anyone wanted that they were wanted, or received any money from anyone to find out if they were wanted by law enforcement authorities.

Agent Witt thanked me for coming to his office and said he had no further questions. He repeated (almost apologizing) why he was questioning me, and repeatedly referred to how it looked for a person in my position to be involved with persons known to be involved in the illegal drug trafficking business. I told both Agents that before I left the room, I wanted them to be confident I had not used my position, or provided any information received during the performance of my duties to anyone not authorized to receive it. I signed a statement agreeing to submit to a polygraph examination. Everyone shook hands and I left the room.

Gina was taken into the room by Agent Witt – Agent Kevin was also present. I left the building and sat in the car. Gina was in the office for approximately 15 to 30 minutes. When she returned to the car, she told me they asked her questions regarding the printout/teletype – and if she had been asked by someone to get this information. Gina said she replied no. Gina said one of the Agents noted our age difference, and asked if I had threatened her – she said no. She said the Agents told her I had contacted DEA when Calichi was arrested to ascertain if he had in fact been arrested. The agents wanted to know if I was calling for Corina, Calichi's wife. Gina said no. Gina said she told them she heard Calichi had been arrested through family/friends in Naco. And when she told me – I had no knowledge of the arrest, and immediately contacted BAG....they had no knowledge of the arrest and suggested I contact DEA in Tucson. I called DEA/Tucson and was advised there was no comment at this time – it was obvious to me that if he had been arrested, DEA did not wish the information to be public – so if asked, I would have said I don't know. Agent Witt thanked Gina for coming, and asked her to call him if she remembered anything further. Gina was not given a subpoena.

.....it should be noted that at the time I was not really clear about this teletype or my involvement – because I remembered checking out names through the Sheriff's Office Record Management System (Spillman) to find out who I was dealing with while visiting Mexico....and I provided many of these names to BAG – I never gave confidential information to anyone not authorized to receive it. I replayed Agent Witt's questions over and over in my head. I remembered that at some point, after talking with BAG, I learned the Cochise County Sheriff's Office did not know Calichi's real name....and did not have a picture of him – I had asked BAG for a picture to see if I had seen him in Mexico. BAG did not have a picture of Calichi...but said it would be helpful if I could get one...I gave them a description of the person I thought was identified as Calichi at a funeral I had attended in Naco (Freddie Prinze look alike). I explained that in most cases, it would not be safe for me to take pictures in Naco. However, I did ask Gina to find out Calichi's real name – she provided me the name listed on the teletype (that is why the name looked familiar to me when the teletype was presented to me during questioning). When I received

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Calichi's legal name from Gina, I remembers providing the name directly to Commander Saavedra (C4).

On Saturday, 11/10/07, I called Agent Witt on his cell phone and provided him a current mailing address. The address listed on the subpoena was Stump Canyon, my former home address prior to a divorce. I asked Agent Witt to keep me posted. Witt advised me he does not make a recommendation with his report to the US Attorney, but assured me he would contact me if there were any changes in the need for my appearance on December 5, 2007.

On Thursday, November 15, 2007, I called Agent Witt's cell phone. He answered and I told him I would like to meet with him and Kevin to bring some additional information to his attention – he stated he would contact Kevin and call me back.

On Friday, November 16, 2007 (6PM), Agent Witt called me on my cell phone. He said he had talked to Kevin and both would be out of the office and wanted to know if we could talk over the phone. I explained to him how I believed Calichi's name came forward and how I provided critical intelligence/information to BAG.

On Tuesday, November 20, 2007, I was in my CCSO Office and Sheriff Larry A. Dever came in and closed the door. He asked me what was going on....I told him what I knew. It was obvious to me that he had already met and been briefed by the FBI/DEA. He asked me about the truck....I told him the facts as I knew them. He asked me why I had not discussed this with him prior to today...I told him I thought I had it under control and did not want to involve him....and that I was embarrassed. We discussed the complications relating to the entire situation (CCSO/Feds), and I told him it was my intent to resign and move out of the area. Sheriff Dever said he understood. Sheriff Dever stated, "Remember, the feds do not always tell the truth." Sheriff Dever accepted my resignation giving me the opportunity to return later in the day to remove my personal belongings from my office and return all issued CCSO equipment.

Sheriff Dever and I embraced and Sheriff Dever stated the conversation/discussion would not leave the room. Later that evening, I drove to the Bisbee CCSO, returned my assigned vehicle and removed all of my personal belongings from my office.

On Wednesday, November 21, 2007, I left Hereford for California to visit relatives over the Thanksgiving Holiday. On the way, I received a call from Agent Witt informing me the December 5th Hearing had been cancelled. After the holiday, I returned to Hereford.

I started looking for a job. One of the positions I applied for in Oregon, offered me a job pending the successful completion of a background investigation. A WASCO County Deputy Sheriff was sent to Sierra Vista and remained there for several days performing a background investigation – talking to CCSO employees, friends, and relatives. During the background investigation, rumors surfaced regarding my involvement "across the border," but no one was able to substantiate the rumors.

I was hired by Northern Oregon Regional Correctional Facility and started working on May 5, 2008.

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On May 12, 2008, Gina's father was kidnapped – missing from Naco, Sonora. Reward posters and reports were filed in Mexico. Information was provided to the authorities and Mexico media by Gina and her brother Gilberto, as to what they thought happened to their father, and who may have kidnapped him. Gina's father has not been located as of 07/07/2011.

In June 2008, I returned to Hereford, packed a truck and moved the remainder of our belongings to The Dalles, Oregon.

On Tuesday, September 10, 2008, I was contacted by Sheriff Rick Eiesland and instructed to report to his office. When I got there, I was told there were two agents from Sierra Vista that wanted to talk to me. I was escorted to an office in the basement, where Dave Bodily (520) 266-0873, and Ryan White (520) 266-0450 introduced themselves and said they needed to talk with me. Sheriff Eiesland left the room. I sat down and they started asking questions. They said they did not want to re-hash the truck stuff but wanted further clarification on a telephone I had provided them earlier. They wanted specifics regarding how I obtained the phone, who handed it to me, dates, times, etc. I asked them if they were recording the conversation....I was told no. Throughout the conversation, the agents appeared unhappy with my responses – they said they did not feel I was being forthcoming with the truth. They repeatedly questioned me on the location in Mexico where I had picked up the truck. I described the area and location as I remembered it. They played the telephone conversation between Tiffanie and me (where I told Tiffanie to tell the truth) – and said I had attempted to interfere with an investigation and along with selling the teletype information to Calichi, I was facing 20 years if convicted. I told them I was telling the truth and could not tell them anymore or provide more specifics. They said "this is not going away," and insinuated it would if I would just tell the truth. They said they had definitive proof that I had asked Darlene Loper (CCSO) to run Calichi's legal name, Carlos Molinarc Nunez in the computer and then provided him the printout so he would be able to cross into the United States from Mexico knowing he was not wanted. I told them I did not remember running Calichi and repeated how I believed I had given the name to Commander Saavedra when I learned his real name...and told him it was Calichi.....they said that was not possible as Commander Saavedra was not working at the time and the operator, Darlene Loper remembered running it for me. I told them both of those individuals were honorable and I did not understand or remember it happening that way. However, under no circumstances did I ask someone to run a teletype....deliver it to Calichi or a go between, and then get paid for the information. They insinuated (or may have said) Calichi's wife, Corina, had a copy of the CCSO teletype I had allegedly provided to Calichi....she kept it in a safe she controlled. The agents stated I had been paid \$3,000 for providing the information so Calichi could pass into the United States without having to worry about being arrested. I told them repeatedly I did not do that. Neither agent appeared to believe me and continued to question me. They asked me if I may have been used....I replied no. I said if Darlene Loper says I asked the name to be checked, and Commander Saavedra says I did not provide him the name Carlos Molinarc Nunez – "I just didn't remember it that way."

One of the agents, DEA Ryan White stated he was the on-call officer I talked to regarding Calichi's arrest. He said he remembered the call because not many people knew Calichi's legal name as I had stated it, Carlos Molinarc Nunez.

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One of the agents handed me a Subpoena in a Criminal Case (CR06-1955-TUC-JMR JJM) directing me to appear in United States District Court of Arizona, in the case of United States of America vs. Carlos Molinares-Nunez, et.al. on January 6, 2009. The Subpoena was dated August 27, 2008, and was issued through Bradley W. Giles, Assistant U.S. Attorney, U.S. Attorney's Office, 405 West Congress Street, Suite 4800, Tucson, Arizona 85701-5040. (520) 620-7300.

At the end of the conversation, one of the agents told me something like...."don't call us later and say you remember this or that....or details that you could not remember today. This is your chance to come clean."

I told them I would be willing to take a polygraph exam if they did not believe me. They said this was my final chance to tell the truth. I said I had told the truth as I remembered it. At one point in the conversation, I felt I was being badgered by both agents and asked them if I needed an attorney....one of the agents advised me no, "you are being called as a witness."

The agents told me they were going to interview Gina and asked me where they could find her. I told them she was at our house on Wright Drive in The Dalles. They asked me for directions and when I asked them if they wanted me to go with them to show them where the house was located, they replied no. They said it would be in my best interest not to advise Gina they were coming. After the interview, I exited the building as the agents walked up to the entrance of the Sheriff's Office. I returned to work at NORCOR.

When I came home from work on September 9, 2008, Gina advised me the Agents had come to the house and talked to her. Ryan, DEA, 520-266-0450 and Dave, FBI, 520-266-0873. She said they questioned her about the cell phone, payoff of \$3000 for giving Calichi the teletype results, Adrian Gonzalez, money/drugs stashed at Garden Valley, and other matters. She told them about her dad, Gilberto Aguirre missing and her desire to have Calichi arrested. Gina said she reiterated what we did to provide information to help law enforcement catch Calichi. They said they were delaying everything because there was a chance Calichi could walk out of prison. Gina provided them additional names during their discussion...they would say a name (nickname or alias) and Gina would give them the full name. Gina mentioned the "new" guys who took over after Calichi's departure...and gave them names - Linda Avechuco, the wife of Ronaldo Urcadez, and David Morales, whose former wife is Edenia Morales. Gina told them she believed Avechuco's address was [REDACTED] Prior to leaving, the agents said "I am not going to arrest you now, but if convicted you could get 20 years for what you have done." However, Gina said the agents said if she could get Jorge to testify against Calichi it would help us. Gina said she would tell Jorge they wanted to talk to him, but that he would need protection- they told her "we will see what we can work out." Prior to leaving, the Agents handed Gina a Subpoena to appear in the United States District Court of Arizona, in United States of America vs. Carlos Molinares-Nunez, et. Al. on January 6, 2009. The Subpoena was dated September 4, 2008, and the attorney's name was Bradley W. Giles, Assistant U.S. Attorney, U.S. Attorney's Office, 405 West Congress Street, Suite 4800, Tucson, Arizona 85701-5040, (520) 620-7300.

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On September 9, 2008, I sent a letter to Attorney Giles stating I would appear as directed on January 6, 2009, but to keep me informed if the case is delayed as I would need to make travel arrangements in advance.

On Wednesday, September 10, 2008, Sheriff Eiesland called me and asked him to come to his office to meet with him and other Sheriff's. At 1115 hours, I entered Sheriff's Eiesland's Office. Sheriff Joe Wampler, Sheriff Brad Lowry, Sheriff Gary Bittencourt, Sheriff Eiesland, along with NORCOR attorney Will Carey were present. Sheriff Eiesland said when my background interview was completed in Cochise County by one of his agents, there were rumors about my involvement across the border, but no one had spoken on the record, confirmed, or wished to officially make any statements. Now, the federal agents had come from SV to The Dalles and confirmed the allegations through a Subpoena as well as information specific to the on-going investigation. He asked me what my intention was. I offered an explanation of my actions....from the beginning. All present said I had done an excellent job since coming to NORCOR, but they were concerned how the media would report this situation if they allowed me to continue to work and it escalated. No one said I would be terminated, but Sheriff Eiesland said under the same circumstances, he would normally place an employee on Administrative Leave – but since I was an employee of NORCOR, he felt the decision as to what action should be taken, should fall on the NORCOR Board of Directors. Sheriff Brad Lowry asked me to leave the room so he could talk without me being present. I left the room for about 15 minutes. When I was invited back into the room, Sheriff Gary Bittencourt asked Sheriff Lowry to explain how he felt. Sheriff Lowry said he would support the others, but he himself had been subjected to a federal investigation that took almost two years to get him exonerated. Sheriff Eiesland said under the circumstances, he would call an Executive Session for the NORCOR BOD and offer me an opportunity to share my testimony prior to a decision being made. I stated I did want to speak to the Board and let them know my involvement and the truth as I know it to be.

Prior to the Executive Session, I prepared a letter that offered my resignation – one that I decided to give to the Chairman after I gave my testimony.

On Friday, September 12, 2008, at 11:00 a.m., I reported to NORCOR. All Board Members were present, all Sheriff's, and a Hood River News Reporter along with Debbie Bush (NORCOR Officer Manager). An Executive Session statement was read and Debbie was dismissed, leaving her tape recorder behind to record the meeting. Sheriff Gary Bittencourt was the spokesman for the Sheriff's and asked me to leave the room during their presentation – I left. After about 15 minutes, I was invited back into the room and gave my side of the story. When I had finished speaking, I asked for questions....no questions. I offered a letter of resignation to the Chairman and told him to notify him of their decision to either accept or reject it. On Friday, September 12, 2008, at approximately 1235 hours, Sheriff Gary Bittencourt called me and stated the Board had voted to accept my resignation. He said he appreciated that I had done the "honorable thing." I told him I would go to the facility over the weekend and return all NORCOR equipment and pick up personal items remaining in his office. Sheriff Bittencourt stated that was fine. Shortly thereafter, Sheriff Bittencourt called and said Sheriff Rick Eiesland would meet me at the facility on Saturday, 0900 hours to assist.

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On Saturday, September 12, 2008, at approximately 0900 hours, I met Sheriff Eiesland at NORCOR. Sheriff Eiesland walked into NORCOR with me and stayed in the building as I removed my personal belongings. We talked about the overall situation and Sheriff Eiesland told me he appreciated the job I had done at NORCOR during my tenure. I asked him what he would tell prospective employers that will call him for a reference. He told me if someone called him for a reference....he would tell them I had done a good job. He said the BOD all supported the work I had started, and agreed to only release the initial paragraph to the press and others who ask...."It is with tremendous respect and regret I feel compelled to offer my resignation as your Administrator of Northern Oregon Regional Correctional Facilities. As you know, my family has been exposed to some personal challenges that will require my attention for an uncertain period of time." Sheriff Eiesland said the BOD had gone through so much turmoil over the past few years, that they were basically concerned what further exposure might cause. He asked me if he knew anyone that might be interested in the position....I told him yes. We talked and critiqued existing personnel and their commitment to move NORCOR to the next level. Sheriff Eiesland invited me to contact him once the dust settles...and he would buy me a cup of coffee. He said he hoped the situation ended after my appearance in court on January 6, 2009. I departed NORCOR at approximately 1000 hours.

On Sunday, September 14, 2008 Gina and I talked about some of my concerns. I reiterated how I did not understand how my name is part of a conversation involving a CCSO teletype allegedly found in Calichi's home safe. Gina said she had been thinking about it and remembered me trying to convince Jorge to cross and cooperate with authorities – or at least cross over with his family into the United States. One of the names I was given, according to Gina, was Carlos Molinares Nunez. When I ran the name it came back without any outstanding wants or warrants, the next time she went to Mexico she told her father...who subsequently told Jorge. The information was shared with Jorge – to convince him it was the truth, and it was safe for him to cross and work directly with the Cochise County Sheriff's Office.

I remember talking to Jorge and reiterating to him that he was not wanted – and it would not be unusual for me to check his name(s) based on whatever name I was given. To my knowledge, I was not asked, or given any names to check or report associated with Calichi.

No one ever told me Calichi's real name...until Gina gave it to me – and when I received it, I immediately passed it on to Commander Saavedra – it must have been written on a piece of paper.

The first time I was provided Calichi's real name (Carlos Molinares Nunez) I gave it immediately to Commander Saavedra – there is no question in my mind. Gina said the time she gave me Calichi's real name...and identified it as his real name...she called me at work and I asked her to repeat the spelling, wrote it down....and told her I gave it to Commander Saavedra. During this conversation with Gina, there was not any discussion relating to any previous teletypes – none. Gina told me she did not know Calichi's legal name until she was told by her father on the day she called him. Until this time, I did not relate the two incidents.

Her brother??

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- From what I know now, it is very likely I requested a CCSO terminal operator run the name - Carlos Molinares Nunez -- but it was related to what I believed at the time was Jorge's legal/alias name -- not Calichi.
- I was never was paid any money for exchange of information.
- Gina was never paid any money for exchange of information.

09/16/2008

I went through some disks I had. I was having a hard time convincing myself that I did not keep better track of what was going on when the FBI first approached me. On one of the disks I found, there was a document titled "Ronnie." Ronnie is the name I used as a child, and remembered documenting what was going on at the time, and then adding a password to the document Ronnie. I tried to open it...no luck. I could not remember the password. I purchased a password bypass program and opened the document on 09/16/2008. The document was written back in November 2007, when most of this stuff was fresh(er) in my mind.

The most important aspect of this documentation is the discussion I had with the FBI regarding the teletype run at the Sheriff's Office with Calichi's legal name. At the time of the interview when the printed teletype was first presented to me by Agent Witt, he stated the teletype was run by Darlene Loper by request of C4 -- which must be recorded somewhere on the teletype. I was asked if I knew who C4 was...and I replied yes and explained that C4 is Commander Ruben Saavedra -- but explained (offered) that he may have run the teletype because I asked him after providing a name of interest. My CCSO designation was C6 and later was promoted to C2. I never was C4.

- They apparently are now saying Darlene Loper remembers that I asked her to run the teletype -- not C4 (Commander Saavedra), and that she accidentally put C4 rather than C2.
- They are now saying C4 was not even in the building -- he was away from the office when the teletype was run.
- They are NOT saying I used C4's authority/designation instead of my assigned designation of C2, or tried to get the information illegally.
- They are NOT saying Darlene Loper was deceptive, or a part of any illegal scheme.

This being the case, the only thing they could be saying is that Darlene Loper used Commander Saavedra's assigned designation of C4, when in fact it was me who made the original request (C-2) and she just got us mixed up and used his designation by mistake. This is possible. However, the designation of C4 (even if it is wrong) is consistent with what I have previously remembered and reported...even if it is wrong -- it is just confusing to recreate similar conversations and events that actually happened months after the occurrence.

During each interview with authorities, I said I was telling the truth as I remembered it. I agreed to take a polygraph examination, and according to notes, I even signed a document agreeing to take a polygraph during one of the initial interviews in Sierra Vista, Arizona.

09/16/2008

Why does the government think I received money for information?

- When Calichi fled Naco, Sonora, I was told Jorge was being hunted by the new drug administration and Calichi's prior bosses (2000). I was told the new drug administration was convinced Jorge was a threat to them, and they wanted him killed. I was told Jorge carried a gun and grenades with him because he said if he was caught... "he would not go alone." I saw Jorge in Naco on one occasion. We were visiting Gina's grandmother....and Jorge came into the house in a disguise (wig, hat, and glasses). I was told he normally moved around during the night.
- Jorge asked Gina if he could borrow money to get his family out of Naco – he offered property (actually provided a deed to a piece of property) she could hold until he paid her back (the deed was not in his name). Gina returned the deed and did not lend any money to Jorge.
- We delivered food, clothes, and construction products to Naco, Sonora – Gina's family needed help – they had little money and needed medicine and treatment for the grandmother. I delivered gas (in 5 gal containers) on several occasions because the gas station in Naco, Sonora was dry.
- When the grandmother passed away, we brought groceries for the family so food would be available at the house for family and visitors.

Why is the location of where we picked up the truck important to the government?

When I was interviewed in The Dalles, Oregon, the agents wanted me to describe the location where I received the truck. I told them I drove to a place not far from Gina's father's house, and a gate was opened and we drove down a driveway to an area that looked like horse stalls (it was dark). I couldn't remember who was there....but did remember Gina's father took me there and gave me the keys and title, and started the truck. I told them I had never been there before.

When Gina was interviewed in The Dalles, Oregon, the agents wanted her to describe the location where I received the truck. She said right next to El Centro de salud. The property was the location of apartments owned by Jorge.

Office of the United States Attorney

District of Arizona

FOR IMMEDIATE RELEASE For Information Contact Public Affairs

Monday, June 8, 2009 WYN HORNBuckle

Telephone: (602) 514-7573

Cell: (602) 740-2422

SONORA MAN PLEADS GUILTY TO LEADING CRIMINAL

NOT FOR PUBLIC DISSEMINATION UNLESS REQUIRED BY LAW

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ENTERPRISE

TUCSON – On June 5, 2009, Carlos Molinares-Nunez, aka "Caliche", pleaded guilty to charges of leading a continuing criminal enterprise and to conspiracy to possess with intent to distribute over 1,000 kilograms of marijuana. Molinares-Nunez was indicted on November 21, 2006 along with two of his lieutenants and on March 27, 2008, a superseding indictment added two more defendants to the charge of conspiracy. A plea to a third count of forfeiture of approximately \$218,000 in cash, real and personal property accumulated by Molinares-Nunez was also entered. The case was the result of a three year investigation conducted by ICE, the DEA, the FBI and the Bisbee Police Department called "Operation Vanquish." The investigation targeted an especially sophisticated and violent drug-trafficking organization operating out of Naco, Sonora, Mexico. The organization, led by Molinares-Nuncz, employed sophisticated electronic surveillance and communications to locate law-enforcement in their area of trafficking and were responsible for importing tons of marijuana into the United States. Nearly 32,232 pounds of marijuana alone were seized during the investigation. It is believed that over 30 individuals worked for Molinares-Nuncz, who in turn worked for other Cartel members as a "gatekeeper" for his area around Naco. Molinares-Nunez pleaded guilty to both of the charges against him in return for a sentence of 20 to 30 years. Had Molinares-Nuncz been convicted after trial, the sentence he faced could have been life imprisonment. The prosecution was handled by David A. Kern, Assistant U.S. Attorney, District of Arizona, Tucson. CASE NUMBER: CR 06-1955-TUC-JMR RELEASE NUMBER: 2009-184(Molinares-Nunez) # # # For more information on the U.S. Attorney's Office, District of Arizona, visit

<http://www.usdoj.gov/usao/az/>

07/10/2009

From: Panzarella Law Firm

It's Over!!

Ron and Gina,

At long last, you may breathe a great sigh of relief. The federal prosecutor in the case against Molinares has assured me that he will not be needing either of you here in Tucson to testify against anyone in connection with the "Caliche" case. Everyone in that case has been offered a plea and is expected to plead out.

We will let you know if that changes, but as of today, they do not anticipate any wrinkles.

Next, I asked the AUSA David Kern, what, if any exposure, either you or your wife have left to worry about, as far as the feds coming after you for any of your so-called involvement in this case. I noted that various agents have hinted at, and threatened you with such action in the past. Kern said he did not know of any further investigation being contemplated, or actively pursued, against either one of you.

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As for the state authorities, however, he could give no assurances. He would not say if he had any other information to indicate whether he knew of any ongoing investigation by state authorities, but said that if any case were to be pursued against either of you, it would be by the state.

I hope that spells out relief for both of you, although there is no guarantee that this thing won't raise its ugly head again.

RAYMOND V. PANZARELLA